

Message Text

CONFIDENTIAL

PAGE 01 STATE 085602
ORIGIN ARA-10

INFO OCT-01 IO-13 ISO-00 SAB-02 H-01 NSC-05 DODE-00
CIAE-00 TRSE-00 PA-01 L-03 SS-15 INR-07 AID-05
NSAE-00 USIA-06 OES-06 LAB-04 SIL-01 PM-04 /084 R

DRAFTED BY ARA-LA/PAN:EJNADEAU:LKB

APPROVED BY ARA-LA/PAN:SMBELL

DESIRED DISTRIBUTION

ARA, S/AB, H, NSC, DOD, CIA, TREASURY, PA, L, D, P, INR, DIA, NSA,
USAOS, USIA, AID/AA/LA

-----160210Z 101580 /72-62

P 152326Z APR 77

FM SECSTATE WASHDC

TO AMEMBASSY PANAMA PRIORITY

INFO USMISSION USUN NEW YORK PRIORITY

AMEMBASSY MEXICO

AMEMBASSY SAN JOSE

AMEMBASSY CARACAS

AMEMBASSY BOGOTA

PANCANAL

C O N F I D E N T I A L STATE 085602

E.O. 11652:GDS

TA :PFOR, PN

SUBJECT:U.S.-PANAMA TREATY NEGOTIATIONS: WEEKLY

ACTIVITIES REPORT - APRIL 9 - APRIL 15

1. NEXT NEGOTIATING ROUND. THE U.S. NEGOTIATORS HAVE OFFERED TO COMMENCE THE NEXT FULL ROUND SOMETIME DURING THE FIRST WEEK IN MAY. THEY EMPHASIZED THAT OUR INTENTION IS TO DISCUSS ALL UNRESOLVED ISSUES. PANAMA'S RESPONSE AS WELL AS A DETERMINATION ON THE EXACT DATE AND LOCATION FOR THE ROUND ARE PENDING.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 085602

2. ECONOMIC ARRANGEMENTS. THE U.S. NEGOTIATORS APPROVED ON APRIL 15 THE RECOMMENDATIONS OF THE INTERAGENCY WORKING GROUP, AND THEY ARE BEING FORWARDED TO INTERESTED AGENCIES FOR COMMENT. THE NEGOTIATORS REQUESTED THAT A SMALL TECHNICAL STUDY TEAM DEPART FOR CONSULTATIONS WITH THE PANAMA CANAL COMPANY AND THE U.S. EMBASSY AS SOON AS

POSSIBLE TO GATHER DATA RELATING TO THE MAJOR OPTIONS
AVAILABLE TO THE U.S. NEGOTIATORS.

3. PRESIDENT CARTER'S OAS SPEECH. APRIL 14 SPEECH TO OAS COUNCIL INCLUDED FOLLOWING REMARKS ON PANAMA. QUOTE. THESE ARE CHALLENGES THAT FACE US IN THE FUTURE. THERE ARE ALSO PROBLEMS THAT PLAGUE US FROM THE PAST WHICH WE MUST WORK TO

SOLVE. ONE IS THE PANAMA CANAL. IN THE FIRST DAYS OF MY ADMINISTRATION I DIRECTED A NEW APPROACH TO OUR NEGOTIATIONS WITH PANAMA ON A NEW CANAL TREATY. IN THE LIGHT OF THE CHANGES WHICH I DISCUSSED BEFORE, THE TREATY OF 1903 WHICH DEFINES OUR RELATIONSHIP WITH PANAMA ON THE CANAL IS NO LONGER APPROPRIATE OR EFFECTIVE. I AM FIRMLY COMMITTED TO NEGOTIATING IN AS TIMELY A FASHION AS POSSIBLE A NEW TREATY WHICH WILL TAKE INTO ACCOUNT PANAMA'S LEGITIMATE NEEDS AS A SOVEREIGN NATION AND OUR INTERESTS IN THE EFFICIENT OPERATION OF A NEUTRAL CANAL, OPEN ON A NON-DISCRIMINATORY BASIS TO ALL USERS. UNQUOTE.

4. CODEL METCALFE. CHAIRMAN RALPH METCALFE OF HOUSE PANAMA CANAL SUBCOMMITTEE, ACCCOMPANIED BY TWO OTHER CONGRESSMEN AND VARIOUS STAFFERS, MET WITH U.S. (CANAL ZONE, EMBASSY, AND SOUTHCOP) AND PANAMANIAN OFFICIALS AND CONDUCTED OVERSIGHT HEARINGS IN CANAL ZONE DURING VISIT TO PANAMA APRIL 11-14. HEARINGS FOCUSED ON FUTURE OF CANAL EMPLOYEES, BOTH U.S. AND PANAMANIAN, UNDER NEW TREATY, WITH CANAL ZONE GOVERNOR AND LEADERS OF CANAL ZONE CIVIC COUNCILS AND LABOR UNIONS AS PRINCIPAL WITNESSES.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 085602

EMPLOYEE REPRESENTATIVES URGED MORE INFORMATION FOR EMPLOYEES ABOUT NEGOTIATIONS. THEY SAID RECENT USG 15-POINT STATEMENT OF ASSURANCES FOR EMPLOYEES WAS FORWARD STEP BUT REQUIRED AMPLIFICATION AND CLARIFICATION. UNION LEADERS GENERALLY REALISTIC ABOUT NEED TO COME TO TERMS WITH PROSPECT OF NEW TREATY AND PROPOSED ADDING LABOR REPRESENTATIVE TO NEGOTIATING TEAM. U.S. CIVIC COUNCIL REPRESENTATIVES STRESSED APPREHENSION OF U.S. CITIZEN EMPLOYEES ABOUT BECOMING SUBJECT TO PANAMANIAN JURISDICTION UNDER NEW TREATY. PANAMANIAN CIVIC COUNCIL REPS EXPRESSED FEAR THAT MANY PANAMANIAN EMPLOYEES WOULD LOSE JOBS AND URGED THAT PANAMANIAN EMPLOYEES BE OFFERED EASIER EMMIGRATION TO U.S. IF THEY DESIRED. IN PREDEPARTURE PRESS CONFERENCE, CHAIRMAN METCALFE ENDORSED EASIER ENTRY TO U.S. FOR PANAMANIAN EMPLOYEES AND URGED THAT PROPOSAL FOR LABOR REP ON NEGOTIATING TEAM BE GIVEN SERIOUS CONSIDERATION. METCALFE ALSO SAID PROSPECTS FOR CONGRESSIONAL APPROVAL OF NEW TREATY WERE NOT GOOD AT THIS TIME BUT MIGHT IMPROVE AS U.S. PUBLIC CAME TO KNOW MORE ABOUT

CANAL ISSUE.

5. STUDY FOR NSC ON NEGOTIATIONS. ARA/PAN IS REVIEWING A HISTORY OF THE NEGOTIATIONS PREPARED BY INR AT THE NSC'S REQUEST. THE STUDY SHOWS THE EVOLUTION OF THE POSITIONS TAKEN IN THE NEGOTIATIONS BY THE TWO SIDES SINCE THE NEGOTIATIONS COMMENCED IN 1965, AND DRAWS CONCLUSIONS ABOUT PANAMANIAN NEGOTIATING TACTICS AND OBJECTIVES.

6. ENVIRONMENTAL STUDY. IN COOPERATION WITH OES, ARA/PAN IS CONTINUING TO EXAMINE THE BEST WAY TO PROCEED WITH AN EXAMINATION OF THE ENVIRONMENTAL ASPECTS OF THE CANAL NEGOTIATIONS. A PROPOSAL FOR A PRELIMINARY ASSESSMENT BY A SHORT-TERM CONTRACTOR IS BEING CONSIDERED.

CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, REPORTS, CANALS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE085602
Document Source: CORE
Document Unique ID: 00
Drafter: LA/PAN:EJNADEAU:LKB
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770132-0414
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770451/aaaabscb.tel
Line Count: 130
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7dd498a4-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2789555
Secure: OPEN
Status: NATIVE
Subject: U.S.-PANAMA TREATY NEGOTIATIONS: WEEKLY ACTIVITIES REPORT - APRIL 9 - APRIL 15
TAGS: EWWT, PN, US
To: PANAMA
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/7dd498a4-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009